

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7422

BILL NUMBER: SB 533

NOTE PREPARED: Feb 17, 2011

BILL AMENDED: Feb 15, 2011

SUBJECT: Design-Build Public Works Projects.

FIRST AUTHOR: Sen. Mishler

FIRST SPONSOR: Rep. Messmer

BILL STATUS: As Passed Senate

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: (Amended) The bill provides that a public agency may not require an offeror to appear in person more than three times before the technical review committee for a design-build contract.

It also provides for a combined request for qualifications and proposals for a public project using design-build contracting if the preliminary estimated cost of the public project is less than \$1M.

The bill provides that a public agency may not issue a request for proposals for a controlled project until certain preliminary procedures requesting application of the petition and remonstrance process or the referendum process are completed, as applicable.

The bill limits the deliverables required for a qualitative proposal submitted in response to a request for proposals.

It repeals the provision in current law requiring the governing body of a public agency to give prior authorization to use design-build contracting.

Effective Date: July 1, 2011.

Explanation of State Expenditures: The bill could minimally reduce costs for a public agency by removing a requirement that the governing body of a public agency adopt a resolution at a public meeting authorizing use of the design-build contracting method, and, for projects costing less than \$1M, combining the requirement for qualifications and proposal. The bill will have indeterminate fiscal impact on the design-build process by requiring public agencies to complete certain preliminary procedures before issuing

requests for proposal.

Background: Under current law, if a public agency authorizes a design-build project, the agency must post a notice of request for qualifications to potential design-builders. For design-build contracts, the public agency must appoint a technical review committee to qualify potential design-builders regardless of price or cost, and rate and score qualitative proposals. Once the technical review committee has completed its work and selected at least three design-builders, the public agency issues a request for proposal to the qualified bidders. A design criteria developer prepares a design criteria package based on the scope and level of detail the public agency requires. Each request for proposal response must contain a design criteria package and be submitted in two parts, a qualitative proposal and a price proposal.

The bill combines the steps of qualifying potential design-builders and receiving bids for projects costing less than \$1M. It reduces the number of days for a potential design-builder to respond to a request for qualifications from 30 days to 14 days, but allows 30 days for a design-builder to respond to a combined request for a project costing less than \$1M.

Explanation of State Revenues:

Explanation of Local Expenditures: See *Explanation of State Expenditures*.

Explanation of Local Revenues:

State Agencies Affected: State agencies (not the Indiana Department of Transportation), educational institutions, bodies corporate and politic.

Local Agencies Affected: Civil units, bodies corporate and politic, school corporations.

Information Sources:

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